

Canna 8 Investment Trust

(A Capital Pool Company)

Interim Financial Statements

(Expressed in Canadian Dollars)

(unaudited)

For the three months ended March 31, 2021

Canna 8 Investment Trust

The accompanying unaudited interim financial statements of Canna 8 Investment Trust for the three months ended March 31, 2021 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Trustees of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that these unaudited interim financial statements have not been reviewed by its auditor.

Canna 8 Investment Trust
Interim Statement of Financial Position
(Expressed in Canadian Dollars)
(unaudited)

	March 31, 2021	December 31, 2020 (audited)
Assets		
Current		
Cash (Note 4)	\$ 313,876	\$ 332,938
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 26,780	\$ 8,149
Unitholders' Equity		
Unitholder capital (Note 5)	751,737	751,737
Contributed surplus	140,459	140,459
Deficit	(605,100)	(567,407)
	287,096	324,789
	\$ 313,876	\$ 332,938

Nature of Operations (Note 1)

Approved on behalf of the Trustees of the Trust

"Nebojsa Dobrijevic"
Trustee

"Sundee Cheema"
Trustee

Canna 8 Investment Trust
Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)

	For the Three Month Period Ended March 31, 2021	For the Three Month Period Ended March 31, 2020
Revenue	\$ -	\$ -
Expenses		
Legal fees	33,387	7,469
Operating expenses	4,306	1,341
	37,693	8,810
Net loss and comprehensive loss	\$ (37,693)	\$ (8,810)

Loss per Trust Unit

Basic and diluted loss per Trust Unit	\$ 0.01	\$ 0.01
Weighted average number of Trust Units outstanding (Note 5)	6,000,000	6,000,000

Canna 8 Investment Trust
Interim Statement of Changes in Unitholders' Equity
For the Three Months Ended March 31
(Expressed in Canadian Dollars)
(unaudited)

	Trust Units	Units Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2019	\$ 12,120,000	\$ 751,737	\$ 140,459	\$ (476,585)	\$ 415,611
Net loss for the period	-	-	-	(8,810)	(8,810)
Balance, March 31, 2020	\$ 12,120,000	\$ 751,737	\$ 140,459	\$ (485,395)	\$ 406,801
Balance, December 31, 2020	\$ 12,120,000	\$ 751,737	\$ 140,459	\$ (567,407)	\$ 324,789
Net loss for the period	-	-	-	(37,693)	(37,693)
Balance, March 31, 2021	\$ 12,120,000	\$ 751,737	\$ 140,459	\$ (605,100)	\$ 287,096

Canna 8 Investment Trust
Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(unaudited)

	For the Three Month Period Ended March 31, 2021	For the Three Month Period Ended March 31, 2020
Cash provided by (used in)		
Operating Activities		
Loss	\$ (37,693)	\$ (8,810)
Net changes in non-cash working capital		
Accounts payable and accrued liabilities	18,631	(1,227)
Cash (used in) operating activities	(19,062)	(10,037)
Net change in cash	(19,062)	(10,037)
Cash, beginning of period	332,938	443,537
Cash, end of period	\$ 313,876	\$ 433,500

1. NATURE OF OPERATIONS

Canna 8 Investment Trust (the "Trust") was formed by the Declaration of Trust on March 29, 2018. The Trust will be classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal undertaking of the Trust is to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The Declaration of Trust was amended and restated on May 22, 2018.

There is no assurance that the Trust will identify a Qualifying Transaction ("QT") within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the units of the Trust ("Trust Units") from trading.

The head office, principal address and records office of the Trust are located at 365 Bay Street, Suite 800, Toronto, ON M5H 2V1.

These interim financial statements for the three months ended March 31, 2021 were approved by the Board of Trustees on May 20, 2021.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretation Committee. These unaudited interim financial statements were prepared using the same accounting policies and methods as those used in the Trust's audited financial statements for the year ended December 31, 2020. These unaudited interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting.

Basis of Preparation

The financial statements are presented in Canadian dollars, which is the Trust's functional and presentation currency.

The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

2. BASIS OF PRESENTATION (Cont'd)

Significant Accounting Judgments, Estimates and Assumptions (Cont'd)

Significant judgments made in preparation of these financial statements include:

- Determining whether the Trust Units should be classified as liabilities or equity, management has assessed whether the Trust Units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 Financial Instruments: Presentation which permit classification as equity have been satisfied. The Trust Units have been determined to be presented as equity.
- The Trust uses the Black-Scholes option pricing model to determine the fair value of options and compensatory warrants in order to calculate unit-based payments expense and the fair value of agents' warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Trust's control. The Trust is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Financial assets

The Trust classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Trust's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Trust classifies all financial assets as held at amortized cost. Cash is classified as a financial asset. Until the Trust completes its QT there are restrictions on the use of cash (see note 4).

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

i) Financial assets (Cont'd)

Measurement

At initial recognition, the Trust measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Trust classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Trust optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Trust does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

ii) **Financial liabilities (Cont'd)**

At present, the Trust classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

Unit-based payments

The Trust applies a fair value based method of accounting to all unit-based payments. Employee and trustee unit options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee unit options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of unit options is presented as unit-based payment expense when applicable. On the exercise of unit options, unit capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Trust uses the Black-Scholes option pricing model to estimate the fair value of unit-based payments.

Taxes

It is the current expectation that the Trust will designate, for the purposes of the Income Tax Act (Canada), that income earned by the Trust in any taxation year of the Trust shall be paid or made payable to the unitholders pro rata based on their units. As a result, the Trust will not be liable for income tax under the Income Tax Act (Canada).

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recorded at the proceeds received, net of direct issue costs.

Loss Per Trust Unit

Basic loss per unit is calculated using the weighted average number of Trust Units outstanding during the year. Contingently issuable Trust Units are not considered outstanding Trust Units and consequently not included in loss per Trust Unit calculations. Diluted loss per Trust Unit is computed similar to basic loss per Trust Unit except that the weighted average Trust Units outstanding are increased to include additional Trust Units for the assumed exercise of Trust Units outstanding are increased to include additional Trust Units for the assumed exercise of Trust Unit options and warrants, if dilutive. The number of additional Trust Units is calculated by assuming that outstanding Trust Unit options and warrants were exercised and that the proceeds from such exercises were used to acquire Trust Units at the average market price during the reporting periods. For the periods presented, the calculations proved to be anti-dilutive.

Provisions

A provision is recognized in the consolidated statements of financial position when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Canna 8 Investment Trust
Notes to Interim Financial Statements
(Expressed in Canadian Dollars)
March 31, 2021
(unaudited)

4. CASH RESTRICTION

The proceeds raised from the issuance of Trust Units may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of units or \$210,000 may be used to cover prescribed costs of issuing the Trust Units or administrative and general expenses of the Trust. These restrictions apply until completion of a Qualifying Transaction by the Trust as defined under the Exchange Policy 2.4. As at March 31, 2021, the Trust has exceeded this limit. The impact of this violation is not known and is ultimately dependent upon the Exchange.

5. UNITHOLDER CAPITAL

	Units	Amount
Authorized		
Unlimited Trust Units		
Unlimited special voting Trust Units		
Issued		
Issuance of Trust Units	6,120,000	\$ 306,000
Initial Public Offering	6,000,000	600,000
Unit issuance costs	-	(122,510)
Fair value of agent's warrants	-	(31,753)
	12,120,000	\$ 751,737

- (a) In April 2018, the Trust issued 6,120,000 units at \$0.05 per unit for gross proceeds of \$306,000. The 6,120,000 issued Trust Units of the Trust are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common units will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. These Trust Units were subscribed for by members of the Board of Trustees.
- (b) In September 2018, the Trust filed a prospectus, offering 6,000,000 common units at a price of \$0.10 per unit for gross proceeds of \$600,000, (the "Offering") by way of an Initial Public Offering. A cash commission of 10% totaling \$60,000 of the gross proceeds of the Offering was paid to the agents of the Offering (the "Agents"). A further \$50,010 was withheld for legal fees and \$12,500 for TSX Venture fees. These amounts are recorded as share issue costs. In addition, the Agents were granted non-transferable warrants to purchase 600,000 units of the Trust at a price of \$0.10 per unit, exercisable for period of 24 months from the date the Trust Units were listed for trading on the TSX-V. The fair value associated with the Agents' warrants granted was \$31,753 and is recorded as a reduction to unitholder capital as unit issuance costs.,

5. UNITHOLDER CAPITAL (Cont'd)

Redemption of Trust Units

Trust Units are not initially redeemable at the option of the Trust Unitholder. The Trustees may, by resolution, cause the Trust Units to be redeemable at the option of the Trust Unitholder and thereby convert the Trust to an Open Ended Trust. It is anticipated that such a resolution will be passed immediately prior to the Trust undertaking a Qualifying Transaction. In the event the Trust does not complete a Qualifying Transaction, the Trust Units will not be redeemable. After such resolution has been passed, each Trust Unitholder shall be entitled to demand, at any time, the Trust to redeem from time to time all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the Declaration of Trust. The holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (for the purpose of this section, the "Redemption Price") equal to the lesser of:

- (a) 90% of the "market price" per Trust Units calculated as of the redemption date; and
- (b) 100% of the "closing market price" of the Trust Units calculated on the redemption date.

For the purposes of the above:

- (a) "Open Ended Trust" means an *inter vivos* trust the interest of each beneficiary under which is described by reference to units of the trust which qualifies as a "unit trust" under paragraph 108(2)(a) of the *Income Tax Act* (Canada).
- (b) the "market price" of a Trust Unit as at a specific date will be (A) an amount equal to the volume weighted average of the closing prices of a Trust Unit on the principal Stock Exchange on which the Trust Units are listed, posted or quoted for trading during the period of ten consecutive trading days ending on such date (B) if the applicable Stock Exchange does not provide a closing price, but only provides the highest and lowest prices of the Trust Units traded on a particular day, an amount equal to the volume weighted average of the highest and lowest prices of the Trust Units on the principal Stock Exchange on which the Trust Units are listed, posted or quoted for trading during the period of ten consecutive trading days ending on such date, or (C) if there was trading on the applicable Stock Exchange for fewer than five of the ten consecutive trading days, an amount equal to the volume weighted average of the following prices established for each of the ten consecutive trading days ending on such date; (i) the volume weighted average of the last bid and last asking price of the Trust Units for each day on which there was no trading; (ii) the closing price of the Trust Units for each day that there was trading if the applicable Stock Exchange provides a closing price; and (iii) the volume weighted average of the highest and lowest prices of the Trust Units for each day that there was trading, if the applicable Stock Exchange does not provide a closing price but provides only the highest and lowest prices of Trust Units traded on a particular day.

Redemption of Trust Units (Cont'd)

- (c) the "closing market price" shall be for a specific day, (A) an amount equal to the closing price of a Trust Unit on the principal Stock Exchange, if there was trading on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date; (B) an amount equal to the volume weighted average of the highest and lowest prices of the Trust Units on the principal Stock Exchange, if there was trading on the specified date and the principal Stock Exchange does not provide a closing price but provides only the highest and lowest trading prices of the Trust Units on the specified dates; or (C) the volume weighted average of the last bid and last asking prices of the Trust Units on the principal Stock Exchange, if there was no trading on the specified date.

5. UNITHOLDER CAPITAL (Cont'd)

Trust Units will not be redeemable at the option of the Trust Unitholder if:

- (a) the total amount payable by the Trust in respect of the redemption of Trust Units tendered for redemption in the same calendar month exceeds the lesser of: (A) \$25,000 and (B) the amount that is equal to 1% of the aggregate Subscription Price of all Units that were outstanding at the end of such month (such lesser amount being referred to herein as the "Monthly Limit"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to the Declaration of Trust exceeds the Monthly Limit will be redeemed for cash on a pro-rata basis up to the Monthly Limit and, unless any applicable regulatory approvals are required, by a distribution in specie pursuant to the Declaration of Trust, on a pro-rata basis, for the balance; or
- (b) at the time the Trust Units are tendered for redemption, the outstanding Trust Units are not listed for trading on any Stock Exchange or public market which the Trustees consider, in their sole and absolute discretion, provides representative fair market value prices for the Trust Units; or
- (c) after the Trust Units have been listed for trading on any stock exchange, the normal trading of the Trust Units is suspended or halted on any such stock exchange either: (i) on the date that such Trust Units were tendered to the Trust for redemption; or (ii) for more than five trading days during the 10-day trading period prior to the date on which such Trust Units were tendered for redemption.

The Trust shall be entitled to purchase for cancellation or redeem at any time the whole or from time to time any part of the outstanding Trust Units, at a price per Trust Unit and on a basis determined by the Board of Trustees in its sole and absolute discretion, subject to and in compliance with all applicable Securities Laws and the rules or policies of any applicable stock exchange.

Loss per Unit

The calculation of basic and diluted loss per unit for the three months ended March 31, 2021 was based on the loss attributable to common unitholders of \$37,693 (three months ended March 31, 2020 - \$8,810) and the weighted average number of Trust Units outstanding of 6,000,000 (March 31, 2020 - 6,000,000).

Loss per Unit (Cont'd)

Diluted loss per unit did not include the effect of 1,212,000 unit options or 600,000 agent's warrants outstanding as they are anti-dilutive. The 6,120,000 Trust Units, which are considered contingently issuable until the Trust completes a Qualifying Transaction, are not considered to be outstanding for the purpose of loss per unit calculation.

Canna 8 Investment Trust
Notes to Interim Financial Statements
(Expressed in Canadian Dollars)
March 31, 2021
(unaudited)

5. UNITHOLDER CAPITAL (Cont'd)

Unit-based payments

The Trust maintains a Unit Option Plan (the "Plan") under which it is authorized to grant executive officers, directors, employees, and consultants options to purchase Trust Units. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Trust's issued and outstanding units immediately prior to the grant. While the Trust is a CPC until completion of a Qualifying Transaction, the aggregate number of Trust Units that may be reserved for issuance under the Plan shall not exceed 10% of the units to be outstanding as at the closing of the Trust's IPO. The exercise price of each unit option shall equal the market price of the Trust's Units, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

On September 14, 2018, the Board of Trustees approved the reservation of 1,212,000 options to be granted to trustees and officers of the Trust on the date of the Trust's IPO. The options were granted with an exercise price of \$0.10 per unit and a term of ten years. \$108,706 was recorded as unit-based payment expense during the period ended December 31, 2018.

The following summarizes the unit option activities under the plan:

	Number of Options	Weighted Average Exercise Price
Granted in 2018	-	\$ NIL
Outstanding as of September 30, 2019	-	\$0.10

The fair value of the options granted in 2018 was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

Expected stock price volatility
Expected life of options
Risk-free interest rate
Expected dividend yield
Weighted average fair value per option

As at March 31, 2021, the Trust has stock options outstanding and exercisable as follows:

Number of Options	Number of Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
1,212,000	1,212,000	\$ 0.10	7.46	September 14, 2028

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Trust manages its capital structure and adjusts it, based on the funds available to the Trust, in order to support the identification and evaluation of a QT. The Trust considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Trust's management to sustain future development of the business. Additional funds may be required to finance the Trust's QT.

The Trust is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

Risk Disclosures and Fair Values

The Trust's financial instruments, consisting of cash and accounts payable and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. As at March 31, 2021, the Trust had accounts payable and accrued liabilities of \$26,780 (December 31, 2020 - \$8,149) due within 12 months and had cash of \$313,876 (December 31, 2020 - \$332,938) to meet its current obligations. As a result the Trust has minimal liquidity risk.

7. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period, and no remuneration was paid to key management personnel during the period.

8. PROPOSED TRANSACTION

On August 1, 2019, the Trust announced that it has entered into a letter of intent (the "Letter of Intent") dated July 30, 2019 with RealCanna Investment Trust ("RealCanna"), a trust formed pursuant to the laws of the Province of Alberta on February 19, 2019, whereby Canna 8 and RealCanna will complete an arrangement, merger, unit exchange or similar transaction to ultimately form the resulting issuer (the "Resulting Issuer") that will continue on the business of RealCanna. On March 24, 2020, the Letter of Intent expired.

On April 2, 2020, the Trust announced it has entered into a letter of intent (the "Letter of Intent") dated April 2, 2020 with Real Industrial Investment Trust ("Real Industrial"), a trust formed pursuant to the laws of the Province of Ontario, whereby Canna 8 and Real Industrial will complete an arrangement, merger, unit exchange or similar transaction to ultimately form the resulting issuer (the "Resulting Issuer") that will continue on the business of Real Industrial (the "Proposed Transaction").

8. PROPOSED TRANSACTION (Cont'd)

Subject to TSX Venture Exchange (the "TSXV") approval, it is intended that the Proposed Transaction will constitute Canna 8's "Qualifying Transaction" under Policy 2.4 – Capital Pool Companies ("Policy 2.4") of the TSXV and that the Resulting Issuer will be listed as a Tier 1 Real Estate Issuer on the TSXV. It is anticipated that the Proposed Transaction will be considered a Non-Arm's Length Qualifying Transaction (as that term is defined in Policy 2.4). No finder's fee is payable on respect of the Proposed Transaction and, in the event the Proposed Transaction is Considered a Non-Arm's Length Qualifying Transaction, the completion of the Proposed Transaction will be subject to receiving majority of the minority approval from the Canna 8 unitholders.

The Letter of Intent provides that Canna 8 and Real Industrial will work together to negotiate and enter into a definitive agreement in respect of the Proposed Transaction (the "Definitive Agreement"). If and when entered into, the Definitive Agreement will supersede the Letter of Intent. The final structure of the Proposed Transaction is subject to receipt of tax, corporate and securities law advice for both Canna 8 and Real Industrial.

9. CONTINGENCY

Three Trustees of Canna 8 Investment Trust and an unrelated entity that provides services to Canna 8 Investment Trust have been named as co-defendants in two separate but substantially similar legal actions initiated by an equity investor in RealCanna Investment Trust (see note 8). These actions are dated November 2, 2020 and January 13, 2021. In both actions the plaintiff is seeking a recovery of their \$500,000 equity investment in RealCanna Investment Trust as well as damages and other relief from the co-defendants.

Canna 8 Investment Trust believes the claims are without merit and has not recorded any provisions in its financial statements in connection with these actions.

10. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.